

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

VAN WELL NURSERY, INC., a  
Washington Corp., HILLTOP  
NURSERIES, LLC, a Michigan  
limited liability company,

Plaintiffs,

v.

MONY LIFE INSURANCE COMPANY,  
a New York corporation; A/B  
HOP FARMS, INC., a Washington  
corporation; BENNETT G.  
BRULOTTE and TRACY A  
BRULOTTE, individually and  
their marital community;  
WALLA WALLA PARCEL NO. 31-07-  
23-11-00-02

Defendants.

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MONY LIFE INS. CO., a N.Y.  
corp.,

Third-Party Plaintiff,

NATIONAL LICENSING ASSOC.,  
LLC., a Washington limited  
liability company (f/k/a  
Nursery Licensing  
Association, LLC),

Third-Party Defendant.

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NO. CV-04-0245-LRS

**OPINION AND ORDER ON MONY  
LIFE'S AND VAN WELL'S MOTIONS  
FOR SUMMARY JUDGMENT AND  
HILLTOP NURSERIES' MOTION TO  
SUBSTITUTE PARTY**

1       **BEFORE THE COURT ARE:** 1) Mony Life's Motion for Summary Judgment  
2 (Ct. Rec. 65); 2) Van Well Nurseries' Motion for Summary Judgment (Ct.  
3 Rec. 61) and 3) Hilltop Nurseries' Motion to Substitute Party (Ct. Rec.  
4 83). Having considered the parties' arguments and for the reasons stated  
5 below, the Court enters the following memorandum and order.

6                               **BACKGROUND**

7       This is an action for plant patent and trademark infringement  
8 involving live apple trees and the marks used to designate them. In  
9 September 2002, third party defendant National Licensing Association  
10 ["NLA"] filed an action asserting plant patent and trademark infringement  
11 (as well as false designation of origin, counterfeiting, unfair  
12 competition, and Washington Consumer Protection Act claims) for United  
13 States Patent No. 4,839 Plant Patent [" '839 patent"], entitled "Spur-  
14 Type Red Delicious Apple Tree" and trademark Number 1,952,536 for  
15 "Scarlet Spur" and Number 1,241,362 for "Smoothee." These claims were  
16 dismissed on May 25, 2004 pursuant to a finding by this Court that the  
17 NLA did not have standing to assert these claims. Ct. Rec. 54, Cause No.  
18 CT-02-5077-LRS. On July 9, 2004, the same claims were refiled in the  
19 names of plaintiffs Van Well Nursery, Inc ["Van Well"] and Hilltop  
20 Nurseries, LLC. Defendant Mony Life responded with numerous defenses and  
21 counterclaims including, but not solely, invalid trademark registration  
22 based on both the generic nature of the supposed mark and fraud,  
23 abandonment, fair use, and lack of standing. Mony Life has also asserted  
24 counterclaims and third party claims against Van Well, Hilltop and NLA  
25 for unfair business practices, misuse of the patent and trademark  
26 statutes, violations of state and federal antitrust statutes, and

1 violations of the Washington Consumer Protection Act. Mony Life seeks  
2 declaratory relief that the trademarks herein are generic, for the Court  
3 to cancel the trademarks and to declare this an "exceptional case" for  
4 the purpose of awarding attorney fees. The remaining defendants have not  
5 answered.

6 On January 24, 2005, the plant patent claims asserted against Mony  
7 Life were dismissed by entry of summary judgment. Mony Life's present  
8 motion for summary judgment seeks dismissal of the plaintiffs' remaining  
9 claims asserted against it, cancellation of the trademarks, and a finding  
10 that the plaintiffs have misused the patent and trademark statutes  
11 qualifying this an "exceptional case." Plaintiff Van Well's motion for  
12 summary judgment seeks judgment as a matter of law against defendants A/B  
13 Hop Farms and the Brulottes on its claims of infringement of the '839  
14 patent. This motion is unopposed. Plaintiff Hilltop Nurseries, LLC also  
15 moves this Court to substitute in its stead "Hilltop Fruit Trees, LLC."

16 **I. Hilltop Nurseries' Motion to Substitute Party (Ct. Rec. 83)**

17 Plaintiff Hilltop Nurseries moves pursuant to Federal Rule of Civil  
18 Procedure 17(a) to substitute in its stead Hilltop Fruit Trees, LLC on  
19 the basis that plaintiff believes Hilltop Fruit Trees, LLC is the real  
20 party in interest, owning the exclusive license to the Smoothee  
21 trademark. Inter-Plant Patent Marketing, Inc. is the "last listed owner"  
22 appearing on the Smoothee trademark registration. On June 15, 1995  
23 Inter-Plant entered into a licensing agreement with Hilltop Nurseries,  
24 LLC regarding the Smoothee trademark. Plaintiff asserts that "through  
25 a regrettable communication error" which was not discovered by  
26 plaintiff's attorney until following the close of discovery, this lawsuit

1 was filed in the name of Hilltop Nurseries though that entity had  
2 transferred its interest in the Smoothee trademark to Keybank, who had  
3 in turn transferred it to a company which became Hilltop Fruit Trees,  
4 LLC, prior to the commencement of this action. In the motion, Hilltop  
5 Fruit Trees, LLC agrees to bind itself to all previous ruling and motions  
6 in this matter, as well as previous discovery, and the outcome of this  
7 matter.

8 Mony Life opposes the motion on the basis it is an improper attempt  
9 to correct Article III standing and furthermore that Hilltop Fruit Trees  
10 cannot establish standing. However, in light of Hilltop Fruit Trees'  
11 agreement to be bound by the rulings and discovery in this case and the  
12 Court's ruling on the motion for summary judgment, the Court finds there  
13 is no prejudice in substituting Hilltop Fruit Trees at this time. In  
14 permitting the substitution, the Court makes no finding as to the effect,  
15 validity, or enforceability of the various transfers of interest in the  
16 Smoothee mark. The case caption of all future pleadings shall reflect  
17 the substitution of Hilltop Fruit Trees, LLC as a plaintiff.

18 **II. MONY LIFE'S MOTION FOR SUMMARY JUDGMENT (CT. REC. 65)**

19 *A. Undisputed Facts*

20 The Scarlet Spur trademark was registered by Van Well on January 30,  
21 1996. At least as early as April 1981, Van Well began using the term  
22 Scarlet Spur in conjunction with live apple trees propagated from the  
23 cultivar of red delicious apple tree covered by the '839 patent. The  
24 '839 patent expired on May 9, 2000. The trademark for Scarlet Spur  
25 expressly disclaims the use of term "Spur" apart from "Scarlet Spur," as  
26 trademarked. Van Well claims the use of the term "Scarlet Red Delicious"

1 infringes the "Scarlet Spur" trademark. The commercial fruit industry  
2 uses a number of different designations to denote the Scarlet Spur  
3 variety of apple tree, including "Scarlet", "Scarlet Red", and  
4 "Reds-Scarlet." Other apple varieties also use the term "scarlet" in  
5 their nomenclature.

6 On April 16, 1968, U.S. Plant Patent 2, 803 ('803 patent) was issued  
7 for a new variety of Golden Delicious apple tree discovered and  
8 propagated by Carl R. Gibson. The patent expired on April 16, 1985.  
9 Since as early as 1976, the term "Smoothee" has been used by Hilltop to  
10 denominate the Gibson cultivar of Golden Delicious apple tree described  
11 in the '803 patent. Mony Life Statement of Facts ["SOF"] ¶ 29. Hilltop  
12 Orchards and Nurseries initially applied for placement of "Smoothee" on  
13 the Principal Register, but the Patent and Trademark Office ["PTO"]  
14 denied this request because the mark was deemed "a variety name for the  
15 particular trees rather than a trademark" and "[v]ariety names are not  
16 regarded as subject matter for trademark registration." Mony Life SOF  
17 ¶ 26, Ex. 40, p. 10. Hilltop Orchards thereafter petitioned for revival  
18 of the application, claiming the Smoothee mark "from 1976 and even  
19 before", had been consistently "claimed" as a "house brand" and that it  
20 had not "dedicated it to the public as a varietal denomination for the  
21 particular strain (Gibson) of Golden delicious apple." Mony Life Ex. 40.  
22 Hilltop represented to the patent examiner that Hilltop "intends to use  
23 the name 'Smoothee' as a house brand name to cover a whole group of  
24 improved golden delicious apple trees..." Mony Life Ex. 40, pg 18. On  
25 June 7, 1983, Hilltop Orchards and Nurseries received the U.S. Trademark  
26 registration for "Smoothee."

1 Defendant Mony Life Insurance is a New York corporation which owns  
2 or has owned orchard properties within this judicial district. Answer  
3 ¶ 4. Mony Life loaned money to A/B Hop Farms, Inc. in 1991, and  
4 subsequently in 1993, 1995, and 1996 (mortgage) and 1998 (mortgages).  
5 These loans were secured by properties, improvements and equipment  
6 located in Benton, Grant and Walla Walla counties. A/B Hop Farms' loans  
7 subsequently went into default, and on or after November 27, 2001,  
8 ownership, possession and title to the referenced properties was  
9 transferred to Mony Life through Quit Claim Deeds in Lieu of Foreclosure.  
10 In conjunction with taking title to the properties, Mony Life hired a  
11 management company to maintain the properties until they could be sold.  
12 In addition, it entered into a sales agreement with Clark Jennings &  
13 Associates to market the properties.

14 Between 1991 and 2001, Mony Life had a number of appraisals done on  
15 all or part of the A/B Hop farms properties to value the assets. In the  
16 appraisals, the two relevant apple tree varieties were variously  
17 identified or abbreviated as "Scarlet Delicious", "Scar Del", "S Del",  
18 "Scarlett Red Delicious", "Scarlet Red Delicious", "Apples (Scarlett)",  
19 "Scarlet III early Red Delicious", "'Smoothee' early Golden Delicious",  
20 "Smoothee Golden", "Smoothie Golden Delicious", and/or "Red  
21 Delicious/Scarlet."

22 In conjunction with their marketing activities, Clark Jennings  
23 prepared sale materials for each property describing the properties,  
24 their improvements and equipment. Ex. 67, Ex. 75. This lawsuit involves  
25 the sales brochure regarding the "Wallula Orchard Property." Complaint  
26 at 9. Stephen J. Weber, President of Clark Jennings, has declared he

1 recalls the Wallula Orchard property sales brochure being disseminated  
2 to approximately 4-5 persons.<sup>1</sup> Mony Life Ex. 75, ¶ 6 The sales  
3 brochure contains "fewer than five" references to "Smoothie" or  
4 "Smoothies" and "fewer than eight" references to the term "Scarlet",  
5 appearing variously as "Scarlet Reds", "Scarlet Red Delicious", "Red  
6 Delicious/Scarlet", and "Scarlet." None of the appraisals nor the Sales  
7 Brochure use the term "Scarlet Spur."

8 *B. Legal Standard*

9 Summary judgment is proper when the "pleadings, depositions, answers  
10 to interrogatories, and admissions on file, together with the affidavits,  
11 if any, show that there is no genuine issue as to any material fact and  
12 that the moving party is entitled to judgment as a matter of law."  
13 Fed.R.Civ.P. 56(c). An issue is "genuine" only if there is sufficient  
14 evidence for a reasonable fact finder to find for the non-moving party.  
15 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248-49, 106 S.Ct. 2505,  
16 91 L.Ed.2d 202 (1986). A fact is "material" if the fact may affect the  
17 outcome of the case. *Id.* at 248. "In considering a motion for summary  
18 judgment, the court may not weigh the evidence or make credibility  
19 determinations, and is required to draw all inferences in a light most  
20 favorable to the non-moving party." *Freeman v. Arpaio*, 125 F.3d 732, 735  
21 (9th Cir. 1997). A principal purpose of the summary judgment procedure  
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23 <sup>1</sup> The single-page excerpt of the 30(b)(6) deposition provided by  
24 plaintiffs at Ct. Rec. 81, Ex. F does not contradict the Weber  
25 Declaration, nor support plaintiffs' responsive statement of fact No. 39  
26 suggesting the material was distributed to approximately 30 persons.

1 is to identify and dispose of factually unsupported claims. *Celotex Corp.*  
2 *v. Cattrett*, 477 U.S. 317, 323-24, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986).

3 The party moving for summary judgment bears the initial burden of  
4 identifying those portions of the pleadings, discovery, and affidavits  
5 which demonstrate the absence of a genuine issue of material fact. *Id.*  
6 at 323. Once the moving party meets this initial burden, the non-moving  
7 party must go beyond the pleadings and by its own evidence "set forth  
8 specific facts showing that there is a genuine issue for trial."  
9 Fed.R.Civ.P. 56(e). The non-moving party must "identify with reasonable  
10 particularity the evidence that precludes summary judgment." *Keenan v.*  
11 *Allan*, 91 F.3d 1275, 1279 (9th Cir. 1996) (*quoting Richards v. Combined*  
12 *Ins. Co.*, 55 F.3d 247, 251 (7th Cir. 1995)) (stating that it is not a  
13 district court's task to "scour the record in search of a genuine issue  
14 of triable fact"). If the non-moving party fails to make this showing,  
15 the moving party is entitled to judgment as a matter of law. *Celotex*, 477  
16 U.S. at 323.

17 Accordingly, the Court must determine, viewing the evidence in the  
18 light most favorable to the plaintiffs, whether there are any genuine  
19 issues of material fact. "Because of the intensely factual nature of  
20 trademark disputes, summary judgment is generally disfavored in the  
21 trademark arena." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140  
22 (9th Cir. 2002) (quotation marks and citations omitted).

### 23 *C. Analysis*

24 In evaluating Mony Life's motion for summary judgment, it is easiest  
25 to frame the relevant issues in the context of a trademark infringement  
26 action. Mony Life's motion raises essentially issues that are defenses



1 to an infringement action, but which have also been asserted herein as  
2 counterclaims. The Lanham Act allows the holder of a protectable  
3 trademark to hold liable any person who, without consent, "use[s] in  
4 commerce any ... registered mark in connection with the sale, offering  
5 for sale, distribution, or advertising of any goods or services" which  
6 is likely to cause confusion. 15 U.S.C. § 1114(1)(a). Before  
7 infringement can be shown, the trademark holder must demonstrate that it  
8 owns a valid mark, and thus a protectable interest. *Tie Tech, Inc. v.*  
9 *Kinedyne Corp.*, 296 F.3d 778, 783 (9th Cir. 2002). Once the trademark  
10 holder shows that it has a protectable interest, the holder must show  
11 that the alleged infringer's use of the mark "is likely to cause  
12 confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a)  
13 & (b); *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 900 (9th  
14 Cir. 2002). The alleged infringer has a number of defenses available.

15 Mony Life's motion for summary judgment asserts five independent  
16 bases for dismissal of the remaining claims asserted against it by  
17 plaintiffs: lack of standing, genericness, fraud, abandonment, and  
18 nominative fair use.

19 1. Genericness

20 There are five categories of trademarks: (1) generic; (2)  
21 descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful. KP  
22 *Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 602  
23 (9th Cir. 2005). "The latter three categories are deemed inherently  
24 distinctive and are automatically entitled to protection because they  
25 naturally 'serve[ ] to identify a particular source of a product....' "  
26 *Id.* (quoting *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768, 112

1 S.Ct. 2753, 120 L.Ed.2d 615 (1992)). However, generic marks are not  
2 capable of receiving protection because they identify the product, rather  
3 than the product's source. *See Park 'N Fly, Inc. v. Dollar Park & Fly,*  
4 *Inc.*, 469 U.S. 189, 194, 105 S.Ct. 658, 83 L.Ed.2d 582 (1985). "Generic  
5 terms are not registerable, and a registered mark may be canceled at any  
6 time on the grounds that it has become generic." *Id.* The reason for  
7 this rule is plain. "To allow trademark protection for generic terms,  
8 i.e. terms which describe the genus of goods being sold, even when these  
9 have been identified with a first user, would grant the owner of the mark  
10 a monopoly since a competitor could not describe his goods as what they  
11 are." *CES Publishing Corp. v. St. Regis Publications, Inc.*, 531 F.2d 11,  
12 13 (2d Cir. 1975).

13 The legal status of commercial symbols can change over time to  
14 reflect shifts in consumer perception of their significance. Even the  
15 most distinctive symbols-coined words having no descriptive or suggestive  
16 quality-may become generic if they are adopted by the public as the name  
17 of the product rather than as the mark of the producer. Familiar  
18 examples are Aspirin, Cellophane, and Thermos, all of which were once,  
19 but are no longer, trademarks of a single manufacturer. *See Bayer Co. v.*  
20 *United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v.*  
21 *Waxed Products Co.*, 85 F.2d 75 (2d Cir. 1936), cert. denied, 299 U.S.  
22 601, 57 S.Ct. 194, 81 L.Ed. 443 (1936); *King-Seeley Thermos Co. v.*  
23 *Aladdin Industries, Inc.*, 321 F.2d 577 (2d Cir. 1963).

24 In these cases, the courts held that, due to changes in market  
25 conditions, the public no longer perceived the trademark significance of  
26 the symbol at issue; rather, consumers had adopted the mark as the name

1 of the product behind the symbol. As the Aspirin, Cellophane and Thermos  
2 examples suggest, the symbols that fall most readily into public usage  
3 as generic names are often associated with products that are themselves  
4 novel items which the consumer has never before encountered. In such  
5 circumstances, the mark placed on the product cannot function to  
6 distinguish one manufacturer from another because there is little or no  
7 brand competition. Thus, the public recognizes the new symbol not as a  
8 brand name but as the name of a new product.

9 As McCarthy on Trademarks and Unfair Competition warns, one reason  
10 why symbols identifying new products often become adopted as the name of  
11 the product is that the trademark owner does not take precautions to  
12 protect the significance of the trademark when the product is first used.  
13 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition §  
14 12:26 (4th ed. 2003). The public is frequently not offered an easily  
15 recognizable generic name *in addition* to the term which the seller  
16 considers to be its trademark. *Id.* When using the product, the  
17 manufacturer may choose a symbol that has the capacity to be a brand  
18 discriminator but then uses the word as if it were the name of the  
19 product. In such cases, it is understandable the name slotted to be the  
20 trademark catches on as the name of the "thing" itself. *Id.*

21 To determine whether a term has become generic, courts look to  
22 whether consumers understand the word to refer only to a particular  
23 producer's goods or whether the consumer understands the word to refer  
24 to the goods themselves. *Park 'N Fly*, 718 F.2d at 330. If buyers  
25 understand the term as being identified with "a particular producer's  
26 goods or services, it is not generic." *Surgicenters of Am., Inc. v.*

1 *Medical Dental Surgeries Co.*, 601 F.2d 1011, 1016 (9th Cir. 1979). "But  
2 if the word is identified with all such goods or services, regardless of  
3 their suppliers, it is generic." *Id.*(citing *King-Seeley Thermos Co. v.*  
4 *Aladdin Indus., Inc.*, 321 F.2d 577, 579 (2d Cir. 1963)). Courts have  
5 often determined whether a mark is generic using the  
6 "who-are-you/what-are-you" test: "A mark answers the buyer's questions  
7 'Who are you?' 'Where do you come from?' 'Who vouches for you?' But the  
8 generic name of the product answers the question 'What are you?' "  
9 *Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d  
10 1143, 1147 (9<sup>th</sup> Cir. 1999)((quoting *Official Airline Guides, Inc. v. Goss,*  
11 6 F.3d 1385, 1391 (9th Cir. 1993) (quoting 1 *J. Thomas McCarthy,*  
12 *Trademarks and Unfair Competition*, § 12.01 (3d ed. 1992))) (alterations  
13 omitted).

14 For decades the U.S. Patent and Trademark Office and case law have  
15 treated varietal names as generic designations that do not and can not  
16 function as trademarks. See discussion, *In re KRB Seed Company, LLC*,  
17 Serial No. 76289621 (TTAB 9/19/05). Indeed, "when others begin to sell  
18 it after expiration of the breeder's protection period they need to call  
19 it by the name that it is known or otherwise consumers will not know what  
20 they are buying." *Id.*

21 The plaintiff bears the ultimate burden of proof in a trademark  
22 infringement action. *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 783  
23 (9th Cir. 2002). "A necessary concomitant to proving infringement is,  
24 of course, having a valid trademark; there can be no infringement of an  
25 invalid mark." *Id.*(citing *Yarmuth-Dion, Inc. v. D'ion Furs, Inc.*, 835  
26

1 F.2d 990, 992 (2nd Cir. 1987)). The validity of the trademark is "a  
2 threshold issue" on which the plaintiff bears the burden of proof. *Id.*

3 Federal registration of a mark constitutes prima facie evidence of  
4 the validity of the mark. 15 U.S.C. § 1057(b). For this reason, a  
5 plaintiff alleging infringement of a federally-registered mark is  
6 entitled to a presumption that the mark is not generic. *Anti-Monopoly,*  
7 *Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1319 (9th Cir.  
8 1982). "In essence, the registration discharges the plaintiff's original  
9 common law burden of proving validity in an infringement action." *Tie*  
10 *Tech, Inc.*, 296 F.3d at 783 (*citing Vuitton et Fils S.A. v. J. Young*  
11 *Enters., Inc.*, 644 F.2d 769, 775 (9th Cir. 1981)). The defendant may,  
12 of course, overcome the presumption "by a showing by a preponderance of  
13 the evidence that the term was or has become generic." *Anti-Monopoly*, 684  
14 F.2d at 1319.

15 In the present case, plaintiffs seek trademark protection for the  
16 terms Scarlet Spur and Smoothee which are federally registered  
17 trademarks. Accordingly, the marks are presumed valid, and the burden  
18 of proving that the marks are generic rests upon Mony Life. *Filipino*  
19 *Yellow Pages, Inc.*, 198 F.3d at 1146. The question then becomes what  
20 evidence must be produced to overcome the presumption. The Ninth Circuit  
21 noted in *Tie Tech* at the summary judgment stage that all inferences from  
22 facts must be drawn most favorably to the non-moving party. In  
23 evaluating Mony Life's motion for summary judgment, all inferences must  
24 be drawn in favor of plaintiffs, as the non-moving party. Although the  
25 genericness issue is generally viewed as an intensely factual issue,  
26 assuming Mony Life "can demonstrate through law, undisputed facts, or a

1 combination thereof that the mark is invalid, the evidentiary bubble  
2 bursts and the plaintiff cannot survive summary judgment." *Tie Tech*, 296  
3 F.3d at 783. In the face of sufficient and undisputed facts  
4 demonstrating genericness, as in this case, the registration loses its  
5 evidentiary significance. *Id.*

6 The parties agree that a varietal designation can not be  
7 trademarked. Plaintiffs dispute that Scarlet Spur and Smoothee are in  
8 fact the proper varietal names for the relevant apple trees covered by  
9 the '803 and the '839 patents. Plaintiffs contend the proper  
10 varietal/generic designations for the patented trees are the "Snipes  
11 cultivar" ("cv.") and the "Gibson cultivar." However, the relevant issue  
12 here is not what the plaintiffs or the defendants view is the "correct"  
13 generic name to identify these varieties of commercial apple trees.  
14 Rather, the question for the Court to consider is how "the relevant  
15 public," or the consumers interested in purchasing the apple trees,  
16 perceive the marks in issue. *Committee for Idaho's High Desert, Inc. v.*  
17 *Yost*, 92 F.3d 814, 821 (9th Cir. 1996); see also, e.g., 15 U.S.C. §  
18 1064(3) (statutory test for genericness). Specifically, the question  
19 presented here is whether Scarlet Spur and Smoothee have undisputedly  
20 become known to the relevant public to be names of trees descending from  
21 the respective patented cultivars rather than a brand identifier for the  
22 source of the trees. Factors to be considered in making this  
23 determination include the plaintiffs' own use of the marks, competitors'  
24 usage, dictionary definitions, media usage, testimony from others in the  
25 same field, and consumer surveys, among others.

1 Analyzing the undisputed evidence, and after conducting the  
2 "who-are-you/what-are-you" test, this Court concludes that Scarlet Spur  
3 and Smoothee answer the "what are you?" question, and are thus generic  
4 terms. Significantly, despite plaintiffs claim that "Scarlet Spur" and  
5 "Smoothee" are not the generic terms for its apple trees, the record is  
6 full of examples where plaintiffs themselves use the terms as the name  
7 of the patented variety of tree when discussing their product. Van  
8 Well's online catalog lists "Scarlet Spur" as one of the "World's Best  
9 Apple Varieties" because Scarlet Spur "is America's earliest coloring,  
10 solid blush Red Delicious." Mony Life Ex. 78. Hilltop Fruit Trees,  
11 LLC's online catalog and price list lists Smoothee as one of its  
12 "Varieties Budded for 2006." Mony Life Ex. 79.

13 Similarly, the record is replete with examples of other fruit tree  
14 growers/sellers who use the names Scarlet Spur and Smoothee (or  
15 variations thereof) as a name of an available apple tree variety or  
16 cultivar. For example, the Willow Drive Nursery's 2006 inventory invites  
17 purchasers to "[p]lant an orchard of Smoothee" and "you will find  
18 Smoothee a golden investment." Mony Life Ex. 81. Mori Nurseries 2005  
19 online catalog describes "Smoothee Golden Delicious" as the "common name"  
20 for "[t]he latest and finest variety of the Golden Delicious." It also  
21 lists its latin name as "Malus Smoothe G.Del.Df.Pommier." Mony Life Ex.  
22 137.

23 Mony Life has provided extensive evidence of the use of these terms  
24 (or variations thereof) by the general public, the apple industry,  
25 governments (United States and foreign), academia, and agricultural  
26 research centers, as names for the cultivar, strain, or variety of the

1 patented trees herein. Moreover, Mony Life has offered the declaration  
2 of its expert, James Berger, who researched whether Scarlet Spur and  
3 Smoothee are presented as trademarked brand names or as generic varieties  
4 or cultivars. Mony Life Ex. 134. Relying upon the publications provided  
5 by Mony Life as exhibits in this case, as well as internet searches for  
6 the terms Scarlet Spur and Smoothee, Berger concludes that these terms  
7 have been used in these sources to designate the *varieties* of trees at  
8 issue in this case, rather than the *source* of the trees. Similarly, in  
9 Berger's analysis he did not find "common usage" of the terms Snipes or  
10 Gibson as an identifier for these trees.

11 In response to Berger's declaration, plaintiffs offer undisputed  
12 evidence that Van Well and one other competitor nursery use the  
13 alternative name "Gibsons" rather "Smoothee" in selling the '803 patented  
14 trees. However unless plaintiffs could offer evidence suggesting  
15 "Gibsons" is a commonly used alternative means to describe the tree, the  
16 Court does not find a use or the availability of an alternative name as  
17 particularly relevant to the question of how the relevant public has  
18 appropriated the term Smoothee. *See generally, Genesee Brewing Co. v.*  
19 *Stroh Brewing Co.*, 124 F.3d 137, 144 (2d Cir. 1997); *A.J. Canfield Co.*  
20 *v. Honickman*, 808 F.2d 291, 305-06 (3d Cir. 1986).

21 Similarly irrelevant to this question is plaintiffs' expert Gabriel  
22 Gelb's conclusion that Scarlet Spur and Smoothee trademarks have been  
23 widely promoted and utilized by the plaintiffs virtually always using the  
24 registered trademark symbol "®". While the record undisputedly  
25 demonstrates plaintiffs' routine use of the registered trademark symbol,  
26 as years of case law demonstrates, the use of the symbol alone does not



1 necessarily provide protection from a trademark becoming generic. The  
2 extensive use of trademark symbols does not shed any light on the  
3 questions at hand regarding the context of plaintiffs' actual usage of  
4 the terms Scarlet Spur and Smoothee and whether the relevant public  
5 perceives these terms as designating varieties of patented trees or  
6 indicating the source of the trees.

7 Plaintiffs argue Mony Life's evidence is insufficient to overcome  
8 the presumption of non-genericness because Mony Life does not present  
9 survey evidence and because the evidence it presents fails to target the  
10 "relevant public" - whom they define as "growers...who buy or might buy  
11 live apple trees in commercial quantities." See *Gelb Declaration*,  
12 *Plaintiffs' Ex. E*, ¶ 13. The Court rejects these arguments. The  
13 "relevant public" is a broad term which has generally been said to imply  
14 the "actual or potential purchasers of the goods or services." *Magic*  
15 *Wand, Inc. v. RDB, Inc.*, 940 F.2d 638, 19 U.S.P.Q.2d 1551 (Fed. Cir.  
16 1991). In this case, the Court agrees that the relevant public are  
17 participants in the fruit tree industry who purchase or deal with these  
18 trees, which presumably are primarily growers. However, in deciding  
19 genericness, evidence of the relevant public's understanding of a term  
20 "may be obtained from *any competent source*." *In re Merrill, Lynch, Pierce*  
21 *Fenner & Smith, Inc.*, 828 F.2d 1567, 1570 (Fed.Cir. 1987) (*emphasis*  
22 *added*). Thus, Mony Life may properly rely upon evidence of the terms'  
23 use in the media, by the mark's owners, by competitors, by third parties,  
24 by industry and trade press, and by government and research entities  
25 engaged in the trade.

1 Although in many situations a survey is desirable to establish the  
2 public's perception, such evidence is not required to resolve issues of  
3 genericness. The Court finds given the somewhat limited size of the  
4 relevant group here, the numerous examples submitted by Mony Life are  
5 sufficient to determine how the relevant group perceives these terms.  
6 *See Loglan Institute, Inc. v. Logical Language Group, Inc.*, 962 F.2d 1038  
7 (Fed. Cir. 1992).

8 A name of a thing can not be a trademark for that thing. 2 J.  
9 Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 12:1  
10 (4th ed. 2003). "The name of a product itself—what it is—is the very  
11 antithesis of a mark." *Id.* The function of a trademark is to identify  
12 and distinguish the goods or services of one seller from those sold by  
13 all others. *Id.* Despite plaintiffs' stated intention to have Scarlet  
14 Spur and Smoothee be considered "house brand names," the record simply  
15 does not show the existence of *any* such actual use. Furthermore, there  
16 is no evidence in the record suggesting the common name for the '839  
17 patented trees is the Snipes cultivar or that the common name for the  
18 '803 patented trees is the Gibson cultivar. Regardless of plaintiffs'  
19 intentions, the public has chosen to call these trees Scarlet Spurs and  
20 Smoothees rather than a Scarlet Spur brand Snipes cultivar apple trees  
21 or Smoothee brand Gibson cultivar apple trees. Mony Life provides  
22 extensive evidence that the terms Smoothee and Scarlet Spur have been and  
23 continue to be used generically to identify a variety of apple trees  
24 which the plaintiffs sell. Plaintiffs' response to this motion even  
25 admits that these trademarks "are used by their respective nurseries to  
26 identify a variety of tree..." *Plaintiffs' Response to Summary Judgment*

1 at 6. Though plaintiffs state that the marks also serve to identify  
2 "that those trees emanate from the nurseries," a name simply can not  
3 function both as a generic term for the product itself and serve as a  
4 trademark. *Id.* (The concepts of "generic name" and "trademark" are  
5 mutually exclusive). As such the terms Scarlet Spur and Smoothee are not  
6 serving as trademarks and are unprotectable, regardless of plaintiffs  
7 intentions to the contrary.

8 Based on this evidence, the Court concludes there is no genuine  
9 issue of material fact as to whether the words Scarlet Spur and Smoothee  
10 are generic. A reasonably minded jury could only conclude from the  
11 evidence produced that these terms are generic terms for a variety of  
12 apple trees.<sup>2</sup> See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249,  
13 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). The Court understands this is a  
14 significant determination. However, where it is demonstrated that the  
15 trademark has gone so far toward becoming the exclusive descriptor of the  
16 product, other growers as well as consumers cannot operate in the market  
17 effectively without using these names to designate the product they are  
18 selling or buying. "The problem is not that language is so impoverished  
19 that no other words could be used to denote these products, but that if  
20 no other words have emerged as synonyms it may be difficult for a seller

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21  
22 <sup>2</sup> It is therefore unnecessary to consider whether Mony Life is  
23 entitled to summary judgment on the additional grounds that the  
24 registration was fraudulently obtained, that the trademark has been  
25 abandoned, nominative fair use, and lack of standing.  
26

1 forbidden to use one of the trademarked words or phrases to communicate  
2 effectively with consumers." *Ty Inc. v. Softbelly's Inc.* 353 F.3d 528,  
3 532 (7<sup>th</sup> Cir. 2003).

4 C. Cancellation

5 Mony Life's counterclaim also seeks cancellation of the registered  
6 marks herein. While formal cancellation proceedings are held before the  
7 PTO, this Court may also direct the PTO to cancel a mark under 15 U.S.C.  
8 § 1119, which provides:

9 In any action involving a registered mark the court may determine  
10 the right to registration, order the cancelation of registrations,  
11 in whole or in part, restore canceled registrations, and otherwise  
12 rectify the register with respect to the registrations of any party  
to the action. Decrees and orders shall be certified by the court  
to the Director, who shall make appropriate entry upon the records  
of the Patent and Trademark Office, and shall be controlled thereby.

13 15 U.S.C. § 1119.

14 "[W]hen a court determines that a mark is either a generic term or  
15 a descriptive term lacking secondary meaning, the purposes of the Lanham  
16 Act are well served by an order cancelling the mark's registration."  
17 *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 792 (5th  
18 Cir. 1983). District courts have been reversed for refusing to order the  
19 cancellation of registrations for claimed marks found incapable of  
20 serving as marks. See *Gracie v. Gracie*, 217 F.3d 1060 (9<sup>th</sup> Cir.  
21 2000)(citing authorities).

22 However, the Court notes Section 1119 of the Lanham Act provides  
23 that the Court may rectify the trademark register with respect to "*the*  
24 *registrations of any party to the action.*" This phrase suggests that a  
25 complaint for trademark cancellation should proceed against the party who  
26 currently owns the trademark. *Informix Software, Inc. v. Oracle Corp.*,

1 927 F. Supp. 1283, 40 U.S.P.Q.2d 1153 (N.D. Cal. 1996) ("Thus, the Court  
2 finds that an exclusive licensee of a trademark is not a proper defendant  
3 in a suit for cancellation of [the registration of] that trademark.  
4 Indeed, the owner of the trademark is the only proper defendant."); *Iowa*  
5 *Health Care System v. Trinity Health Corp.*, 177 F. Supp. 2d 897, 911  
6 (N.D. Iowa 2001) (claim for cancellation can only be brought against the  
7 owner of the registration, not against a licensee.); *cf. Jeno's Inc. v.*  
8 *Commissioner of Patents & Trademarks*, 498 F.Supp. 472, 477 n. 2  
9 (D.Minn.1980) ("This Court may not act [pursuant to § 1119] unless some  
10 party stands before it with a registered mark."). Thus, the Court finds  
11 that an exclusive licensee of a trademark is not a proper defendant in  
12 a suit for cancellation of that trademark.

13 Accordingly, as the owner of the *Smoothee* trademark does not stand  
14 as a party before the Court, the Court will not order the cancellation  
15 of Registration No. 1,241,362 for the trademark "Smoothee." However, as  
16 Van Well Nursery is the exclusive owner of the Scarlet Spur trademark,  
17 at this time the Commissioner of Patents and Trademarks is ordered to  
18 cancel Registration No. 1,952,536 for the trademark "Scarlet Spur"  
19 pursuant to 15 U.S.C. § 1119.

20 D. Attorney Fees

21 Mony Life seeks an award of attorneys fees under the Lanham Act,  
22 holding "the NLA, Van Well Nursery, and Hilltop Nurseries jointly and  
23 severably liable for Mony's attorneys' fees and costs in defending itself  
24 against a succession of groundless lawsuits." Mony Life's Reply, Ct.  
25 Rec. 99 at 14. The Lanham Act expressly provides for an award of  
26 attorney's fees to the prevailing party at the discretion of the court

1 in "exceptional cases." 15 U.S.C. § 1117(a). The Ninth Circuit has  
2 expressly held that the same standard for "exceptional" applies to  
3 prevailing defendants as well as prevailing plaintiffs. *Gracie v.*  
4 *Gracie*, 217 F.3d 1060, 1071 (9<sup>th</sup> Cir. 2000). While the term  
5 'exceptional' is not defined in the statute, generally a trademark case  
6 is exceptional for purposes of an award of attorneys' fees when the a  
7 plaintiff has brought a case that can be characterized as "malicious,  
8 fraudulent, deliberate or willful," *id.*, or "groundless, unreasonable,  
9 vexatious, or pursued in bad faith," *Stephen W. Boney, Inc. v. Boney*  
10 *Services, Inc.*, 127 F.3d 821, 827 (9th Cir. 1997).

11 In cause number 02-CV-5077-LRS, the Court previously determined  
12 Mony Life was not eligible for an award of attorney's fees in part  
13 because Mony Life did not qualify as a prevailing party therein.  
14 However, in this case, in light of the Court's ruling on summary judgment  
15 herein, Mony Life is a prevailing party, having received at least "some  
16 relief on the merits" against the named plaintiffs who brought this suit  
17 but not against the third party defendant. *Buckhannon Bd. & Care Homes,*  
18 *Inc. v. W. Va. Dep't of Health and Human Res.*, 532 U.S. 598, 603-05  
19 (2001). Proving an "exceptional" case can be difficult given the  
20 standards set forth above. The Court believes a decision on this issue  
21 should abide the conclusion of the case and resolution of all remaining  
22 claims.

23 ///

24 ///

25 ///

26 ///

1 Accordingly, the attorney fees' aspect of Mony Life's motion for  
2 summary judgment is denied *without prejudice* to be renewed in a  
3 separately filed motion brought at the conclusion of the case.

4 **III. Van Well Nurseries' [Partial] Motion for Summary Judgment (Ct. Rec.**  
5 **61)**

6 Plaintiff Van Well Nursery has moved for partial summary judgment  
7 on its claim for infringement of United States Patent No. 4,839 Plant  
8 Patent [" '839 patent"], entitled "Spur-Type Red Delicious Apple Tree  
9 4,839 asserted against defendant A/B Hop Farms and the individual  
10 Brulotte defendants. Because these defendants have in fact admitted and  
11 have not disputed any particular fact, as submitted by Van Well in its  
12 statement of material facts, all facts submitted and properly supported  
13 by admissible evidence are deemed to be admitted. The motion is  
14 unopposed.

15 A. Legal Standard

16 When a summary judgment motion is unopposed, a court must  
17 "determine whether summary judgment is appropriate--that is, whether the  
18 moving party has shown itself to be entitled to judgment as a matter of  
19 law." *Anchorage Associates v. V.I. Bd. of Tax Review*, 922 F.2d 168, 175  
20 (3rd Cir. 1990). A court "cannot base the entry of summary judgment on  
21 the mere fact that the motion is unopposed, but, rather must consider the  
22 merits of the motion." *United States v. One Piece of Real Property, etc.*,  
23 363 F.3d 1099, 1101 (11th Cir. 2004). A court "need not sua sponte review  
24 all of the evidentiary materials on file at the time the motion is  
25  
26

1 granted, but must ensure that the motion itself is supported by  
2 evidentiary materials." *Id.*

3 As discussed below, the Court finds Van Well has met its  
4 evidentiary burdens on its patent infringement claim asserted against A/B  
5 Hop Farms and the Brulottes and that as to these defendants, it is  
6 entitled to judgment as a matter of law on the limited issue of patent  
7 infringement liability.

8  
9 B. Undisputed Material Facts

- 10 1. On April 20, 1982, a plant patent 4,839 ('839 patent) was issued  
to Van Well Nursery, Inc.
- 11 2. The '839 patent expired on May 9, 2000.
- 12 3. As early as 1984, A/B Hop Farms had purchased and planted trees of  
13 the type covered by the '839 patent from Van Well Nursery.
- 14 4. On February 20, 1996, Bennett "Ben" Brulotte and defendant Arnold  
15 Brulotte each acquired an one-half undivided interest in the  
Wallula Orchard property, located in Walla Walla County Washington.
- 16 5. In 1995-1996, A/B Hop Farms, Inc. and Ben Brulotte propagated and  
17 planted approximately 76,614<sup>3</sup> of the type of trees described in the  
'839 patent on the property referred herein as the Wallula Orchard.
- 18 6. These trees were propagated using budwood from '839 patented trees  
19 purchased from Van Well Nursery.
- 20 7. These trees planted on the Wallula property were planted without  
the permission of Van Well nursery.

21 C. Analysis

22 1. Validity of the Patent

23  
24 <sup>3</sup> It is not obvious from the record how the number 76,614 was  
25 derived. However, as the approximation is unopposed by the defendants,  
26 the Court does not question its accuracy.



1 A duly issued patent is presumed valid. 35 U.S.C. § 282; *Medical*  
2 *Instrumentation and Diagnostics Corp. v. Elekta AB*, 344 F.3d 1205, 1220  
3 (Fed.Cir. 2003); *Schumer v. Lab Computer Sys.*, 308 F.3d 1304, 1315-16  
4 (Fed.Cir. 2002). The '839 patent, therefore, is presumed valid unless  
5 the defendants produce evidence establishing its invalidity. Here,  
6 there is no challenge to the validity of the patent, and consequently,  
7 the Court concludes as a matter of law that as to A/B Hop Farms and the  
8 individual Brulotte defendants in this action, the now expired '839  
9 patent was valid and is enforceable.

## 10 2. Infringement

11  
12 Determining patent infringement requires that the court determine  
13 whether someone (1) without authority (2) makes, uses, offers to sell,  
14 sells, or imports (3) the patented invention (4) within the United  
15 States, its territories, or its possessions (5) during the term of the  
16 patent. 35 U.S.C. § 271(a); *Cyrix Corp. v. Intel Corp.*, 77 F.3d 1381  
17 (Fed.Cir. 1996). For purposes of proving the third element, in a plant  
18 patent infringement action the patentee must prove under 35 U.S.C.A. §  
19 163 that the alleged infringing plant is an asexual reproduction, that  
20 is, that it is the progeny of the patented plant. *Imazio Nursery v Dania*  
21 *Greenhouses*, 69 F3d 1560 (Fed.Cir. 1995).

22  
23 Based upon the undisputed facts recited above, the Court concludes  
24 Van Well has sustained its burden of proving infringement on the part of  
25 defendants A/B Hop Farms and Brulotte. Van Well is entitled to partial  
26 summary judgment on the issues of validity of the '839 patent and patent

1 infringement liability as to these defendants. The case will proceed on  
2 the issues of damages and willfulness.

3 **IV. CONCLUSION**

4 For the reasons stated above, **IT IS HEREBY ORDERED:**

5 1. Plaintiff Hilltop Nurseries, LLC's Motion to Substitute Party (Ct.  
6 Rec. 83) is hereby **GRANTED**. Hilltop Fruit Trees LLC shall be substituted  
7 for Hilltop Nurseries and shall be bound by all prior and future rulings  
8 herein. All future pleading captions shall be modified to reflect the  
9 substitution. The Clerk of the Court is directed to amend the case  
10 caption accordingly.

12 2. Plaintiff Van Well Nurseries' Motion for [partial] Summary Judgment  
13 (Ct. Rec. 61) is **GRANTED**.

14 3. Defendant Mony Life's Motion for Summary Judgment (Ct. Rec. 65) is  
15 **GRANTED IN PART** and **DENIED IN PART**:

16 a. The motion is **GRANTED** to the extent the Court:

17 i. Grants Mony Life's counterclaims seeking to declare  
18 the Scarlet Spur and Smoothee trademarks generic;

19 ii. Dismisses all remaining claims asserted in the  
20 complaint against Mony Life;

21 iii. Dismisses and all trademark infringement, false  
22 designation of origin, and counterfeiting claims against the remaining  
23 defendants;

24 iv. Grants Mony Life's counterclaim for cancellation of  
25 *Van Well Nursery's* registration for the trademark "Scarlet Spur." The  
26

1 Commissioner of Patents and Trademarks is ordered to cancel Registration  
2 No. 1,952,536 for the trademark "Scarlet Spur" pursuant to 15 U.S.C. §  
3 1119.

4 b. The motion is **DENIED** to the extent it requests cancellation of  
5 Registration No. 1,241,362 for the trademark "Smoothee" and the Court's  
6 present declaration of this case as an "exceptional case." Mony Life may  
7 renew the issue of "exceptional case" status in a separately filed motion  
8 upon the conclusion of its claims herein.  
9

10 **IT IS SO ORDERED.** The District Court Executive is hereby directed  
11 to enter this order and furnish copies to counsel. The Clerk of Court  
12 is further directed to certify a copy of this Opinion and Order to the  
13 Commissioner of the Patent and Trademark Office.

14 **DATED** this 16th day of March, 2006.

15 *s/Lonny R. Suko*

16 \_\_\_\_\_  
17 LONNY R. SUKO  
18 UNITED STATES DISTRICT JUDGE  
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